

Financial and Economic Benefits

An economic analysis was completed for the MWRRS in its February 2000 Plan using the same criteria and structure used by the Federal Railroad Administration (FRA) in its 1997 study, *High-Speed Ground Transportation for America*. This MWRRS analysis generated a benefit to cost ratio of 1.7. The FRA, in the above study, independently confirmed that a Midwest rail passenger system offers the highest level of economic benefit associated with rail investment anywhere in the U.S. except for Amtrak's Northeast Corridor.

The system will also generate resource savings in automobile operating costs, airport and highway congestion relief, and reduced energy usage and exhaust emissions. The extensive regional passenger rail network and the connectivity that it provides will afford an attractive travel choice that could result in reduced automobile trips for commuting, business, and leisure purposes.

"The MWRRS generates a favorable benefit to cost ratio."

"Independent FRA analysis supports the conclusions of the MWRRS plan, recognizing the system's:

- » *Potential financial return*
- » *Economic benefits that could be derived."*



Other Benefits

MWRRS enhances the Midwest region's existing transportation system:

- » Provides an attractive passenger rail system with vastly reduced travel times, and enhanced service frequencies and regional connectivity
 - » Provides a transportation choice that affords travelers downtown-to-downtown connectivity between major urban centers
 - » Provides an alternative to highway travel and reduces congestion, energy use and emissions



"The MWRRS is an attractive regional travel option."

"The MWRRS is a reasonable public and private investment."

"The MWRRS investments lead to spin-off financial and economic benefits relating to:

- » Freight and commuter rail operations
- » Community development
- » Job creation."

"The MWRRS will generate over 2,000 new permanent rail operating, equipment maintenance, and track maintenance jobs, and approximately 8,000 construction jobs."

MWRRS is a reasonable public and private investment:

- » Total capital cost of \$7.7 billion over a 10-year phasing plan
 - Recommended 80 percent federal share
 - 20 percent state share
- » Revenues are maximized and operating costs are minimized with a goal of minimizing or eliminating state subsidies after the system is fully built out and the system ramp-up period is completed
 - Estimated 13.6 million passengers annually in 2025

MWRRS investments lead to spin-off benefits:

- » Freight and Commuter Rail Improvements
 - Increased train speeds and improved highway-railroad grade crossing safety resulting from track capacity and signalization improvements
- » Community Development
 - Impetus for new station and station-area development opportunities and retail opportunities
 - Improved transportation choices for regional travelers
- » Job Creation
 - 2,000 permanent jobs
 - 8,000 construction jobs

The Path Forward

A series of short and long-term actions are necessary to advance the MWRRS plan towards implementation. Key actions are summarized below:

A National Federal Passenger Rail Funding Program

A key requirement for the success of the Midwest Regional Rail Initiative is Congressional passage of a federal passenger rail funding program. Such a program should be patterned on the already successful federal/state partnerships, which provide funding for our nation's highways, airports and transit systems.

A dedicated and independent passenger rail program is needed to ensure that funding will not be drawn away from the other modes. A multi-year funding commitment is needed because passenger rail projects, like other infrastructure projects, generally require multiple years from beginning to end. The program should provide an 80/20 federal/state cost share like that provided to the other modes. It should provide funding directly to states in recognition of their track record and expertise in delivering major transportation infrastructure projects. The funding level for a federal passenger rail program should reflect the significant regional funding needs that have been documented by the MWRRS Plan and similar state and national studies.

"The MWRRS is a key component in order to achieve a 21st century transportation system."

The creation of such a program will provide a level playing field for all of the transportation modes. Developing support in Congress for such a program is the highest priority MWRRS Plan implementation activity that can be undertaken and a regional advocacy program will be required.

Project Advocacy

Efforts should continue to build a coalition of regional stakeholders to solicit active support for the MWRRS and secure the required levels of state and federal funding. This effort should focus on making the U.S. Congress and Executive Branch aware of the important role that enhanced passenger rail service can play in addressing regional mobility and economic development needs and the critical need for federal funding. The regional stakeholder coalition should continue to involve elected officials—mayors, legislators, governors, and members of Congress—as well as private sector advocates and the general public. This effort can build on a number of initiatives in the Midwest to form passenger advocacy groups such as The Midwest Business Coalition for High Speed Rail, a MWRRRI Mayor's Coalition, The Midwest Interstate Passenger Rail Commission, The Midwest High Speed Rail Association and The States for Passenger Rail Coalition. Efforts can also be undertaken to coordinate Congressional advocacy efforts with other regional coalitions such as those representing the Southeastern, Northeastern and Gulf states.

Shared Rail Rights-of-Way

A continuing dialogue with the freight railroads and commuter operators is needed to negotiate agreements on planned right-of-way improvements, the use of shared rights-of-way, and potential adjustments/refinements required to accommodate freight, commuter rail, and proposed MWRRS operating schedules.

Readiness to Proceed

Efforts should continue by the states to insure that passenger rail projects are “funding ready”. Several states have already proceeded with corridor environmental assessments and impact statements, as well as preliminary engineering studies. These activities should continue. Actions should also commence to gain federal agency funding to conduct a system-wide environmental review as necessary to satisfy National Environmental Policy Act (NEPA) requirements and to position the MWRRS project for receipt of federal grant funds and TIFIA loans.

“Short-term and long-term actions required to advance the MWRRS towards implementation include:

- » *A coordinated advocacy program to develop Congressional and Executive level support for a dedicated, multi-year federal funding program.*
- » *Advocacy for an 80/20 federal/state grant share in such a program as well as a predominant state role in project management and delivery.*
- » *A cooperative partnership with the freight and commuter railroads.”*



For More Information

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For additional copies

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